May 3, 2022

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| The Honorable Nancy Skinner  Chair, Senate Budget & Fiscal Review Committee  1021 O Street, Suite 8630  Sacramento, California 95814 | The Honorable Susan Eggman  Chair, Senate Budget Subcommittee #3  1021 O Street, Suite 8530  Sacramento, California 95814 |
| The Honorable Phil Ting  Chair, Assembly Budget Committee  1021 O Street, Suite 8230  Sacramento, CA 95814 | The Honorable Joaquin Arambula  Chair, Assembly Budget Subcommittee #1  1021 O Street, Suite 6240  Sacramento, CA 95814 |

**Re: Alternative Health Care Service Plan Proposal – OPPOSE**

Dear Senators Skinner and Eggman, and Assemblymembers Ting and Arambula:

On behalf of the Board of Supervisors of Siskiyou County, we are writing to express our opposition to the Alternative Health Care Service Plan proposal (i.e. the single statewide Medi-Cal contract for Kaiser).

Anytime there are significant changes in state policy, it is imperative to have a deliberative and transparent process, especially when working with the state’s Medi-Cal program, which supports those most disadvantaged and vulnerable in our communities. That open and transparent process has not taken place as we learned that the California Department of Health Care Services (DHCS) has proposed a direct contract with Kaiser Permanente (Kaiser). It is of no surprise that this proposed agreement directly negatively impacts the health care safety net delivery system and Medi-Cal recipients across California. A good deal for Kaiser is not necessarily a good deal for the people of California.

Siskiyou County has spent decades investing in our local health systems and in our partnership with our respective County Organized Health Systems (COHS) – Partnership HealthPlan of California (PHC). Our safety net infrastructure relies on the relationship between PHC, the county, and community providers including; hospitals, community clinics, health centers, primary care, and more. As detailed below, the proposed Alternative Health Care Service Plan potentially undermines this local system. Therefore, Siskiyou County must oppose the Alternative Health Care Service Plan proposal.

PHC, like other local Medi-Cal health plans, was created under state statute and local county ordinances beginning 29 years ago to meet and improve the publicly-funded health care safety net delivery system – including hospitals and health systems, community health centers, skilled nursing facilities, and independent physicians, among others. In addition to robust consumer and provider advisory committees, County Boards of Supervisors appoint individuals to serve

on the PHC Board of Commissioners. Today, PHC serves 630,000 Medi-Cal recipients across fourteen Northern California counties. Ten additional Northern California counties have worked for the last eight years to affiliate with PHC were recently granted conditional approval to join PHC in 2024. Working with counties PHC has a proven track record of reinvesting savings back into the community – in ways such as increasing provider reimbursement and improving access, to enhancing member benefits and funding housing projects.

The Kaiser proposal damages and undermines these systems, which have provided essential health services to the Medi-Cal and underserved patient populations for decades. Our local safety net systems are proven and established.

This deal further engrains inequities in our health care system. Addressing social drivers of health requires removing obstacles to health and shifting practices and policies that have traditionally benefitted some and left others out. An action which primarily seeks to protect a commercial entity’s interests over the interests of the public delivery system and the people it serves further engrains inequity and runs counter to the spirit of *integrating* the Medi-Cal program through California Advancing Innovation in Medi-Cal (CalAIM). Siskiyou County is deeply concerned that local clinics, health centers, and hospitals will disproportionally care for the sickest members**.** Kaiser will have the ability to choose which members it wants in its plan and which it does not including those with behavior health needs, those who are unhoused, or justice-involved. That means that Kaiser can choose members who are healthier, forcing local health plans like PHC – and our safety net providers and community clinics – to disproportionately care for those who are more ill and complex. This is especially concerning with Kaiser’s well-documented history of underserving members experiencing complex physical health, mental health, and social conditions including those experiencing homelessness, individuals with serious mental health conditions, individuals with multiple co-morbidities and complex care needs, and justice involved individuals. The agreement runs contrary to our collective role in actually strengthening and supporting ***all*** of the safety net.

The value of the COHS model is that a single entity is coordinating care for the entire Medi-Cal population. Introducing multiple entities will lead to duplicative contracting, member and provider confusion, and runs counter to the state’s integration and standardization goals through the CalAIM transformation*.*PHC has spent decades cultivating strong and trusted relationships with our community-based organizations that serve our most vulnerable Medi-Cal members.

For the reasons outline above Siskiyou County must oppose the Alternative Health Care Service Plan proposal and uphold the integrity of the COHS model. Thank you for your time and attention to this matter. This letter was approved by the Siskiyou County Board of Supervisors on May 3, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sincerely,

Brandon A. Criss, Chair

Board of Supervisors

cc: The Honorable Gavin Newsom, Governor of California

The Honorable Toni G. Atkins, Senate President Pro Tempore

The Honorable Anthony Rendon, Assembly Speaker

The Honorable Jim Wood, Assembly Health Committee Chair

The Honorable Richard Pan, Senate Health Committee Chair

Secretary Mark Ghaly, MD, MPH, California Health and Human Services Agency

Director Michelle Baass, Department of Health Care Services

Chief Deputy Director, Jacey Cooper, Department of Health Care Services

Richard Figueroa, Deputy Cabinet Secretary, Governor’s Office

Senator Dahle

Assembly Member Dahle